

OPERATING AGREEMENT
OF
EQUINOX INTERNATIONAL, L.L.C.
AN ILLINOIS LIMITED LIABILITY COMPANY

TABLE OF CONTENTS

ARTICLE I	DEFINITIONS	
ARTICLE II	FORMATION OF COMPANY	3
2.01	Formation	3
2.02	Name	4
2.03	Principal Place of Business	4
2.04	Registered Office and Registered Agent	4
2.05	Term	4
ARTICLE III	BUSINESS OF COMPANY	4
ARTICLE IV	NAMES AND ADDRESSES OF MEMBERS	4
ARTICLE V	RIGHTS AND DUTIES OF MANAGERS	
5.01	Management	
5.02	Number, Tenure, Designation and Qualifications	5
5.03	Certain Powers of Manager	5
5.04	Liability for Certain Acts	6
5.05	Managers Have No Exclusive Duty to Company	6
5.06	Bank Accounts	7
5.07	Indemnity of the Managers: Employees and Other Agents	7
5.08	Resignation	7
5.09	Removal	7
5.10	Vacancies	7
5.11	Salaries	7
ARTICLE VI	RIGHTS AND OBLIGATIONS OF MEMBERS	8
6.01	Limitation of Liability	8
6.02	Company Debt Liability	8
6.03	List of Members	8
6.04	Approval of Sale of All Assets	8
6.05	Company Books	8
6.06	Priority and Return of capital	8
6.07	Liability of a Member to the Company	8
ARTICLE VII	MEETINGS OF MEMBERS	8
7.01	Meetings	8
7.02	Place of Meetings	9
7.03	Notice of Meeting	9
7.04	Meeting of all Members	9
7.05	Record Date	9
7.06	Quorum	9
7.07	Manner of Action	9
7.08	Proxies	
7.09	Action by Members Without a Meeting	10
7.10	Waiver of Notice	10

ARTICLE VIII

**CONTRIBUTIONS TO THE COMPANY
AND CAPITAL ACCOUNTS**

8.01	Members' Capital Contributions	10
8.02	Additional Contributions	10
8.03	Capital Accounts	10
0.04	Withdrawal or Reduction of Members' Contributions to Capital	11

ARTICLE IX

**ALLOCATIONS, INCOME TAX, DISTRIBUTIONS,
ELECTIONS AND REPORTS**

9.01	Allocations of Profits and Losses from Operations	12
9.02	Distributions	12
9.03	Limitation Upon Distributions	12
9.04	Accounting Principles	12
9.05	Interest On and Return of Capital Contributions	12
9.06	Loans to Company	13
9.07	Accounting Period	13
9.08	Records, Audits and Reports	13
9.09	Returns and Other Elections	14

ARTICLE X

TRANSFERABILITY

10.01	General	14
10.02	Right of First Refusal	14
10.03	Transferee Not-Member in Absence of Unanimous Consent	16

ARTICLE XI

ADDITIONAL MEMBERS

17

ARTICLE XII

DISSOLUTION AND TERMINATION

17

12.01	Dissolution	17
12.02	Winding Up, Liquidation and Distribution of Assets	19
12.03	Articles of Dissolution	20
12.04	Effect of Filing of Articles of Dissolution	20
12.05	Return of Contribution Nonrecourse to Other Members	21

ARTICLE XIII

MISCELLANEOUS PROVISIONS

21

13.01	Notices	21
13.02	Books of Account and Records	21
13.03	Application of Illinois Law	21
13.04	Amendments	21
13.05	Execution of Additional Instruments	21
13.06	Construction	21
13.07	Headings	22
13.08	Waivers	22
13.09	Rights and Remedies Cumulative	22
13.10	Severability	22
13.11	Heirs, successors and Assigns	22
13.12	Creditors	22
13.13	Counterparts	22

EXHIBIT A

PARTICIPATING PERCENTAGES

EXHIBIT B

INITIAL CAPITAL CONTRIBUTION

ARTICLE I

DEFINITIONS

The following terms used in this Operating Agreement shall have the following meanings:

(a) "Act" shall mean the Illinois Limited Liability Company Act.

(b) "Articles of O" shall mean the Articles of Organization of the Company as filed with the Secretary of State of Illinois. as amended from time to time.

(c) "Capital Account" as of any given date shall mean the account maintained for each Member pursuant to Article VIII.

(d) "Capital Contribution" shall mean any contribution to the capital of the Company in cash or **property** by a Member whenever made. "Initial Capital Contribution" shall mean the initial contribution to the capital of the Company pursuant to this Operating Agreement.

(e) "Capital Interest" shall mean as of any given date the proportion that a Member's positive Capital Account bears to the aggregate positive Capital Accounts of all Members whose Capital Accounts have positive balances as of such date.

(f) "Code" shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding Federal revenue laws.

.....(g) "Company" shall refer to EQUINOX INTERNATIONAL, L.L.C.

(h) "Company Property or Property" shall mean all properties, assets and rights of any type owned by the Company.

(i) "Deficit Capital Account" shall mean with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the taxable year, after giving effect to the following adjustments:

(i) credit to such Capital Account any amount which such Member is obligated to restore under Section 1.704-1(b)(2)(ii)(c) of the Treasury Regulations, as well as any addition thereto pursuant to the next to last sentence of Sections 1.704-2(g)(1) and (i)(5) of the Treasury Regulations, after taking into account thereunder any changes during such year in partnership minimum gain (as determined in accordance with Section 1.704-2(d) of the Treasury Regulations) and in the minimum gain attributable to any partner For

nonrecourse debt (as determined under Section 1.704-2(i)(3) of the Treasury Regulations); and

(ii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations.

This definition of **Deficit Capital Account** is intended to comply with the provision of Treasury Regulations Sections 1.704-1(b)(2)(ii)(d) and 1.704-2. and shall be interpreted consistently with those provisions.

(j) **"Distributable Cash"** shall mean all cash. revenues and funds received by the Company from Company operations, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred in the normal operation of the Company's business; and (iii) reserves.

(k) **"Economic Interest"** shall mean a Member's or Economic Interest Owner's share of one or more of the Company's Net Profits; Net Losses and distributions of the Company's assets pursuant to this Operating Agreement and the Act, but shall not include any right to participate in the management or affairs of the Company, including, the right to vote on, consent to or otherwise participate in any decision of the Members or Managers.

(l) **"Economic Interest Owner"** shall mean the owner of an Economic Interest who is not a Member.

(m) **"Entity"** shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association, foreign trust or foreign business organization.

(n) **"Fiscal Year"** shall mean the Company's fiscal year as determined by the Manager.

(o) **"Gifting Member"** shall mean any Member or Economic Interest Owner who gifts, bequeaths or otherwise transfers for no consideration (by operation of law or otherwise, except with respect to bankruptcy) all or any part of its Membership Interest or Economic Interest.

(p) **"Managers"** shall mean one or more managers who have the authority to manage the Company in accordance with the provisions of this Operating Agreement. References to the Manager in the singular or as him, her, it, itself, or other like references shall also, where the context 60 requires, be deemed to include the plural or the masculine or feminine reference, as the case may be.

(q) "Member" shall mean each of the parties who executes a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become Members. If a Person is a Member immediately prior to the purchase or other acquisition by such Person of an Economic Interest, such Person shall have all the rights of a Member with respect to such purchased or otherwise acquired Membership Interest or Economic Interest, as the case may be.

(r) "Membership Interest" shall mean a Member's entire interest in the Company including such Member's Economic Interest and the right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to this Operating Agreement and the Act.

(s) "Net Profits" and "Net Losses" Shall mean the net amount of all income, gain, loss, and deductions of the Company in the aggregate or separately stated, as appropriate, determined in accordance with generally accepted accounting principles employed under the method of accounting selected by the Manager at the close of each fiscal year on the Company's tax return filed for federal income tax purposes.

(t) "Operating Agreement" shall mean this Operating Agreement as originally executed and as amended from time to time.

(u) "Participating Percentage" shall refer to a Member's or Economic Interest Owner's percentage right to allocations of Net Profits and Net Losses of the Company as provided in **Section 9.01.**

(v) "Selling Member" shall mean any Member or Economic Interest Owner which sells, assigns, pledges, hypothecates or otherwise transfers for consideration all or any portion of its Membership Interest or Economic Interest.

(w) "Transfer" shall collectively mean a Selling Member and-member.

(x) "Treasury Regulations" shall include proposed, temporary and final regulations promulgated under the Code.

ARTICLE II

FORMATION OF COMPANY

2.01 Formation. The Company shall or has been organized as an Illinois Limited Liability Company by executing and delivering Articles of Organization to the Illinois Secretary of State in accordance with and pursuant to the Act.

2.02 Name. The name of the company is EQUINOX INTERNATIONAL, L.L.C.

2.03 Principal Place of Business. The principal place of business of the **Company** within the State of Illinois shall be 125 Boeger, Suite 201-A, -Arlington Heights, Cook County, Illinois 60004. The Company may locate its places of business and registered office at any other place or places as the Managers may from time to time deem advisable.

2.04 Reaistered Office and Reaistered Agent. The Company's initial registered office shall be at the office of its registered agent at 444 N. Northwest Highway, Suite 180, Park Ridge, Illinois 60068, and the name of its initial registered agent shall be Helen M. Wydra. The registered office and registered agent **may** be changed by filing the address of the new registered office and/or the name of the new registered agent with the Illinois Secretary of State pursuant to the Act.

2.05 Term. The **term** of the Company shall end on December 31, 2047, unless the Company is earlier dissolved in accordance with either the provisions of this Operating Agreement or the Act.

ARTICLE III

BUSINESS OF COMPANY

The purpose of this Company is to be a provider of various and sundry international telecommunication services and to engage **in and** to do any lawful act concerning any and all lawful **businesses** for which Limited Liability Companies **may** be organized under the Illinois Limited Liability Company Act.

ARTICLE IV

~~NAMES AND ADDRESSES OF MEMBERS~~

The **names** and addresses of the members **are as follows:**

Name

Address

Richard M. Pierce	125 Boeger, Suite 201-A Arlington Heights, IL 60004
Marcus McEwen	498 Robin Lane Marietta, GA 30067
Travel Marketing, Ltd.	2533 N. Carson St., Suite 3000 Caron City, NV 89706

ARTICLE V

RIGHTS AND DUTIES OF MANAGERS

5.01 Management. The business and administrative affairs of the Company shall be managed by its Managers. Subject to the unanimous written approval of the Members, the Managers shall

direct, manage and control the business of the Company. At any time when there is more than one Manager, the unanimous written decision of all of the Managers shall be required for the managers to take any action permitted to be taken by under this Operating Agreement or the Act.

5.02 Number, Tenure, Designation and Qualifications. The Company shall initially have two (2) Manager(s), Richard M. Pierce and Marcus **McEwen**. The number of Managers of the Company shall be fixed from time to time by the holders **of a** majority of Participating Percentages, but in no instance shall there be less than two (2) Managers. Each Manager shall hold office until the next annual meeting of Members or until his successor shall have been elected and qualified. Managers shall be elected by the holders of a majority of Participating Percentages.

5.03 Certain Powers of Manager. Without limiting the generality of section 5.01 but subject to the requirement of written unanimity, the Managers **shall** have power and authority, on behalf of the Company:

(a) To **acquire** property from any Person as the Managers may determine, whether or not such Person is directly or indirectly affiliated or connected with any Manager or Member;

(b) To borrow money for the Company from banks, other lending institutions, the Managers, Members, or affiliates of the Managers or Members on such terms **as** the Managers deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums. No debt shall be contracted or liability incurred by or on behalf of the Company except by the Managers, or the extent permitted under the Act, by agents or employees of the Company expressly authorized to contract such debt or incur such liability by the Managers;

(c) To purchase liability and other insurance to protect the Company's property and business or for any other reason the Manager in their sole discretion may determine;

(d) To hold and own Company real and personal properties in the name of the **Company**;

(e) To invest Company funds in time deposits, short-term governmental obligations, commercial paper or other investments;

(f) Upon the approval of the holders of a **majority** of Participating **Percentages**, to sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan so long as such disposition is not in violation of or a cause of a default under any other agreement to which the Company may be bound;

(g) To execute on behalf of the **Company** all instruments and documents, including, without **limitation**, checks: **drafts**; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property; assignments; bills of sale; **leases**; and any other instruments or documents necessary to the **business** of the Company;

(h) To employ accountants, legal **counsel**, managing agents or other experts to perform services for the Company;

(i) To enter into any and all other agreements on **behalf** of the Company, in such forms as the Managers **may** approve; and

(j) To do and perform all other acts as may be necessary **or** appropriate to the conduct of the Company's business.

Unless authorized to do so by this Operating Agreement or by the Managers of the Company, no attorney-in-fact, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any **purpose**. No **Member** shall have **any** power or authority to bind the Company unless the Member has been authorized by the Managers to act **as** an agent **of** the Company in accordance with the previous sentence.

Managers shall be determined by the election at an annual meeting or at a special meeting of Members called for that purpose **or** by the **Members'** unanimous written consent. A Manager elected to fill a vacancy **shall** be elected for the unexpired term of his predecessor in **office** and shall hold office until the expiration of such term and **until** his successor shall be elected and qualified or until his earlier death, resignation or removal. A Manager chosen to fill a position resulting from an increase in the number of Managers shall hold office until the next annual meeting of **Members** and until his successor shall be elected and qualified, or until his earlier death, resignation or removal.

5.04 Liability for Certain Acts. Each Manager shall perform his duties as **Manager** in **good faith**, in a manner he reasonably believes **to** be in the best interests of the Company! and with such **care** as an ordinarily prudent person in a like position would use under similar circumstances. A Manager shall **not** be liable to the Company or to any **Member** for any loss **or** damage sustained by the Company or any Member, unless the loss or damage shall have been the result of fraud, deceit, gross negligence, willful misconduct or a wrongful taking by the Manager.

5.05 Managers Have No Exclusive Duty to Company. A Manager shall not be required to manage the Company as his sole and **exclusive** function and he may have other **business interests** and engage in activities in addition to those relating to the Company. Neither the Company nor **any** Member shall have any right, by virtue of this Operating Agreement, to share or participate in **such other**

investments Or activities of the Manager or to the income or proceeds derived therefrom.

5.06 Bank Accounts. The Managers may from time to time open bank accounts in the name of the Company, and the Managers shall be the sole signatory thereon.

5.07 Indemnity of the Managers, Employees and Other Agents. Provided there is approval by a majority of Participating Percentages, the Company shall, to the maximum extent permitted under Section 15-10 of the Act, both indemnify the Managers and make advances for expenses: The Company shall indemnify its employees and other agents who are not Managers to the fullest extent permitted by law, provided that such indemnification is approved by the holders of a majority of Participating Percentages.

5.08 Resignation Any Manager of the Company may resign at any time by giving written notice to the Members of the Company. The resignation of any Manager shall take effect upon receipt of notice thereof or at such later date specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.09 Removal. ACa meeting called expressly Eor that purpose, all or any lesser number of Managers may be removed at any time, with or without cause, by the holders of a majority of Participating Percentages. The removal of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.10 Vacancies. Any vacancy occurring for any reason in the number of Managers of the Company may be filled by the holders of a majority of Participating Percentages. Any Manager's position to be filled by reason of an increase in the number of Managers shall be filled by the election at an annual meeting or at a special meeting of Members called for that purpose, or by the holders of a majority of Participating Percentages. A Manager elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office and shall hold office until the expiration of such term and until his successor shall be elected and qualified or until his earlier death, resignation or removal. A Manager chosen to fill a position resulting from an increase in the number of Managers shall hold office until the next annual meeting of Members and until his successor shall be elected and qualified, or until his earlier death, resignation or removal.

5.11 Salaries. The salaries and other compensation Of the Managers and other persons performing services for the Company shall be fixed from time to time by the unanimous agreement of the Members. and no Manager shall be prevented from receiving such salary because he is also a Member of the Company.

ARTICLE VI

RIGHTS AND OBLIGATIONS OF MEMBERS

6.01 Limitation of Liability. Each Member's liability shall be limited as ~~set~~ forth in this Operating Agreement. the Act and other applicable law.

6.02 Company Debt Liability A Member will not be personally liable Cor any debts or losses of the Company beyond his respective Capital Contribution and any obligation of the Member under Section 8.01 or 8.02 to make a Capital Contribution, except as provided in section 6.07 herein or as otherwise required by law.

6.03 List of Members. Upon the written request of any Member, the Managers shall provide a list showing the names, addresses and Membership Interests and Economic Interests of all Members.

6.04 Approval of Sale of All Assets The Members shall have the right.. upon the approval of the holders of a majority or **Participating** Percentages, to approve the sale, exchange or other disposition of all. or substantially all, of the Company's assets which is to occur as 'part of a single transaction or plan.

6.05 Company Books. The Managers shall maintain and preserve, during the term of the Company, all accounts, books, and other relevant Company documents. Upon reasonable written request, each Member and Economic Interest Owner shall have the right, at a time during ordinary business hours as reasonably determined by the Managers, to inspect and copy at the requesting Member's or Economic Interest Owner's expense, the Company documents identified in Section 1-40 of the Act; and such other documents which the Managers, in their discretion. deem appropriate.

6.06 Priority and Return of Capital. Except as may be expressly provided in Article IX. no Member or Economic Interest Owner shall have priority over any other Member or Economic Interest Owner, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions; provided that this Section shall not apply to loans which a Member has made to the Company.

6.07 Liability Of a Member to the C A Member who receives a distribution or the return in whole or in part of its contribution is liable to the Company only to the extent provided by the Act.

ARTICLE VII

MEETINGS OF MEMBERS

7.01 Meetings Meetings of the Members, for any purpose or purposes, unless otherwise Prescribed by statute, may be called for any reason by any Manager or by any Member for the purpose of the transaction of such business as may come before the meeting:

7.02 Place of Meetings. The Members may designate any place, either within ~~or~~ outside the State of Illinois. as the place of meeting for any meeting of the Members. If no designation is made, the place of meeting shall be the principal place of business of the Company in the State of Illinois.

7.03 Notice of Meetings. Except as provided in Section 7.06, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than fifteen (15) nor more than thirty (30) days before the date of the meeting. either personally or by express courier, by or at the direction of the Managers or Member or Members calling the meeting. to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered five (5) calendar days after being posted with the express courier, addressed to the Member at its address as it appears on the books of the Company, with postage thereon prepaid.

7.04 Meeting of all Members. If all of the Members shall meet at any time and place, either within or outside of the State of Illinois. and consent to the holding of a meeting at such time and place, such meeting, shall be valid without call or notice, and at such meeting lawful action may be taken.

7.05 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. when a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

7.06 Quorum. A majority of all Members shall constitute a quorum at any meeting of Members.

7.07 Manner of Acting. If a quorum is present, actions approved by the holders of a majority of Participating Percentages of all Members in the quorum shall be the act of the Members. unless the vote of a greater or lesser proportion or number is otherwise required by the Act, by the Articles of Organization, or by the Operating Agreement. Unless otherwise expressly provided herein or required under applicable law, only Members who have a Membership Interest may vote or consent upon any matter and their vote or consent, as the case may be, shall be counted in the determination of whether the matter was approved by the Members.

7.08 Proxies. At all meetings of Members. a Member may vote in person or by proxy executed in writing by the Member; or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Managers of the Company before or at the time of the meeting.

No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

7.09 ~~Action by Members Without a Meeting.~~ Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by each Member entitled to vote and delivered to the Managers of the Company for inclusion in the minutes or for filing with the Company records. Action taken under this **Section is effective** when all Members entitled to vote have signed the consent, unless the consent specifies a different effective date.

7.10 **Waiver of Notice** When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE VIII

~~CTIONS TO THE COMPANY AND CAPITAL ACCOUNTS~~

6.01 **Members' Capital Contributions.** Each Member shall contribute such amount as is set forth in Exhibit A hereto as its share of the Initial Capital Contribution.

8.02 **Additional Contributions** A Member shall at its option make additional Capital Contributions to meet the expenses and obligations of the Company. This Section 8.02 shall not be deemed to be for the benefit of any person or entity other than the Members and the Company, and no such third person shall under any circumstances have any right to compel any actions or payments by the Managers and/or the Members.

8.03 **Capital Accounts.**

(a) A separate Capital Account will be maintained for each Member. Each Member's Capital Account will be increased by (1) the amount of money contributed by such Member to the Company; (2) the fair market value of property contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Code Section 752); (3) allocations to such Member of Net Profits and Net Losses; and (4) allocations to such Member of income described in Code Section 705 (a) (1) (B). Each Member's Capital Account will be decreased by (1) the amount of money distributed to such Member by the company; (2) the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Code Section 752); (3) allocations to such Member of expenditures described in Code Section 705(a) (2) (B); and (4) allocations to the account of such Member of Company loss and deduction as set forth in such

Regulations, taking into account adjustments to reflect book value

(b) The manner in which Capital Accounts are to be maintained pursuant to this Section 8.03 is intended to comply with the requirements of Code Section 704(b) and the Treasury Regulations promulgated thereunder. If the Company determines that the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 8.03 should be modified in order to comply with Code Section 704(b) and the Treasury Regulations, then notwithstanding anything to the contrary contained in the preceding provisions of this Section 8.03, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members as set forth in the Operating Agreement.

(c) Upon liquidation of the Company (or any Member's Membership Interest or Economic Interest Owner's Economic Interest), liquidating distributions will be made in accordance with the positive Capital Account balances of the Members and Economic Interest Owners, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds will be paid within sixty days of the end of the taxable year (or, if later, within one hundred twenty days after the date of the liquidation). The Company may offset damages for breach of this Operating Agreement by a Member or Economic Interest Owner whose interest is liquidated (either upon the withdrawal of the Member or the liquidation of the Company) against the amount otherwise distributable to such Member.

(d) Except as otherwise required in the Act (and subject to Section 8.01 and 8.02), no Member or Economic Interest Owner shall have any liability to restore all or any portion of a deficit balance in such Member's or Economic Interest Owner's Capital Account.

0.04 Withdrawal or Reduction of Members' Contributions to Capital.

(a) A Member shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them.

(b) A Member, irrespective of the nature of its Capital Contribution, has only the right to demand and receive cash in return for its Capital Contribution.

ARTICLE IX

ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS AND REPORTS

9.01 Allocations of Profits and Losses from Operations. The Net Profits and Net Losses of the Company for ~~each~~ fiscal year will be allocated as follows:

<u>Member</u>	<u>Allocation</u>
Richard M. Pierce	25%
Marcus McEwen	25%
Travel Marketing, Ltd.	50%

9.02 Distributions. Distributable Cash and the Sale Proceeds shall ~~be~~ distributed in accordance with the following:

(1) First, **an amount sufficient to repay Members'** loans to the Company, plus any accrued interest:

(2) Second, **an amount** sufficient to repay Members' Capital Contributions;

(3) Third, the balance shall be payable in proportion to Participating Percentages.

9.03 Limitation Upon Distributions.

(a) No distributions or return of contributions shall ~~be~~ made and paid if, **after** the distribution or return of distribution is made, either:

(1) the Company would be insolvent; or

(2) the net assets of the Company would ~~be less than~~ zero.

(b) The Managers ~~may~~ base a determination ~~that a~~ distribution or return of Contribution ~~may~~ be made under Section **9.04(a)** in good faith **reliance** upon a **balance sheet and profit** and loss statement of the Company represented to be correct by the person having charge of its books of account or certified by an independent public or certified public accountant or firm of accountants to fairly reflect the financial condition of the Company.

9.04 Accounting Principles. The **profits** and losses of the Company shall be determined in accordance with generally accepted accounting principles applied on a consistent basis using the method of accounting **selected by the Managers.**

9.05 Interest On and Return of Capital Contributions No Member shall be entitled to interest on its Capital Contribution ~~or~~ to return of its Capital Contribution.

9.06 Loans to Company. Nothing in ~~this~~ Operating Agreement shall prevent any **Member** From making secured or unsecured loans to the Company by agreement with the Company.

9.07 Accounting Period. The Company's accounting **period** shall be selected by the Managers.

9.08 Records, Audits and Reports. At the expense of the Company, the Manager shall maintain records and accounts of the operations and **expenditures** of the Company. At a minimum the Company shall keep at its principal place of business the **following records**

(a) A current list of the full name and last known address of each **Member** and Economic Interest Owner setting forth the amount of cash each Member and Economic Interest Owner has contributed, a description and statement of the agreed value of the other property or services each Member and Economic Interest Owner has contributed or has agreed to contribute in the future, and the date on which each became a Member or Economic Interest **Owner**;

(b) A copy of the Articles of Organization of the Company and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

(c) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three **most recent years**;

(d) Copies of the Company's currently effective written Operating Agreement;

(e) Copies of any financial statements of the Company for **the** three most recent years;

(f) Minutes of every annual. special meeting and court-ordered meeting;

(g) Any written consents obtained from Members **for** actions taken by **Members** without a meeting; and

(h) Unless contained in the Articles of Organization of the Operating Agreement, a writing prepared **by the** Managers setting out the following:

(1) The times at which or events on the happening of which any additional contributions agreed to be made by each **Member** and Economic Interest Owner are to be made.

(2) Any right of a **Member** or Economic Interest Owner to receive distributions that include a return of

all or any part of the **Member** or Economic Interest Owner's contributions.

(3) Any power of a **Member** or economic Interest Owner to **grant** the right to become an assignee of any part of the **Member's** or **Economic Interest Owner's** interest, and the terms and conditions of the power.

9.09 Returns and Other Elections The Managers shall cause the preparation and timely filing of **all tax** returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the **Company** does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the **Members** within a reasonable time after the end of the Company's fiscal year upon the **Members** written request.

All elections permitted to be made by the Company under federal or state laws shall be made by the Managers in their sole discretion, provided that the **Managers** shall make any tax election permitted by law which is requested by a majority of Participating Percentages.

ARTICLE X

TRANSFERABILITY

10.01 General. Except as otherwise specifically provided herein, neither **a Member nor an Economic Interest Owner** shall have the right, as to all or any part of its Membership Interest or Economic Interest to:

(a) sell, assign, pledge, hypothecate, **transfer, exchange or** otherwise transfer For consideration, **(collectively, "sell")**; or

(b) gift, bequeath or otherwise transfer for no consideration (whether or not by **operation** Of law, except in the case of bankruptcy).

10.02 Right of First Refusal.

(a) If a Selling Member desires to sell all or any portion of its Membership Interest or Economic Interest in the Company to a third party purchaser, the Selling **Member** shall obtain from such third party purchaser a bona fide written **offer** to purchase such interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefor. The Selling **Member** shall give written notification to the remaining Members, by **certified** mail or personal delivery, of its intention to so transfer such interest, furnishing to the remaining **Members** a copy of the aforesaid written offer to purchase such interest.

(b) The remaining Members, and each of them shall, on a basis pro rata to their Participating Percentages, have the right to exercise a right of first refusal to purchase all (but not less than all) of the interest proposed to be sold by the Selling Member upon the same terms and conditions as stated in the aforesaid written offer to purchase by giving written notification to the Selling Member, by certified mail or personal delivery, of their intention to do so within forty-five days after receiving written notice from the Selling Member. The failure of at least one of the remaining Members to so notify the Selling Member at their desire to exercise this right of first refusal within said forty-five day period shall result in the termination of the right of first refusal and the Selling Member shall be entitled to consummate the sale of its interest in the Company, to such third party purchaser, provided that the sale shall be consummated within sixty days following the expiration of the aforesaid forty-five day period.

In the event the remaining Members (or any one or more of the remaining Members) give written notice to the Selling Member of their desire to exercise this right of first refusal and to purchase all of the Selling Member's interest in the Company which the Selling Member desires to sell upon the same terms and conditions as are stated in the aforesaid written offer to purchase, the remaining Members shall have the right to designate the time, date and place of closing, provided that the date of closing shall be within sixty days after giving written notification to the Selling Member of the remaining Member's or Members' election to exercise their right of first refusal.

(c) As a condition to the Company recognizing the effectiveness of either the purchase of the Selling Member's interest in the Company by a third party purchaser or the gift of an interest in the Company (including an Economic Interest), and (subject to Section 10.031 substitution of a new Member, the remaining Members may require the Selling Member, Gifting Member or the proposed purchaser, donee or successor-in-interest, as the case may be, to execute, acknowledge and deliver to the remaining Members such instruments of transfer, assignment and assumption and such other certificates, representations and documents, and to perform all such other acts which the remaining Members may deem necessary or desirable to:

(i) verify the purchase, gift or transfer, as the case may be;

(ii) confirm that the person desiring to acquire an interest in the Company, or to be admitted as a Member, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of the Operating Agreement, (whether such Person is to be admitted as a new Member or an Economic Interest Owner);

(iii) maintain the status of the Company as a partnership for federal tax purposes: and

(iv) assure compliance with any applicable state and federal laws including securities laws and regulations.

(d) Any sale or gift of a Membership Interest or Economic Interest or admission of a Member in compliance with this Article X shall be deemed effective as of the last day of the calendar month in which the remaining Members' consent thereto was given. or, if no such consent was required pursuant to Section 10.02(e) then on such date that the donee or successor interest complies with the conditions set forth in Section 10.02(c). The Selling Member agrees, upon request of the remaining Members, to execute such certificates or other documents and to perform such other acts as may be reasonably requested by the remaining Members from time to time in connection with such sale, transfer, assignment, or substitution. The Selling Member hereby indemnifies the Company and the remaining Members against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article X.

(e) Subject to Section 10.03(c), a Transferring Member may gift all or any portion of its Membership Interest and Economic Interest (without regard to Section 10.02(a) and (b) provided that the donee or other successor-in-interest (collectively, "donee") complies with Section 10.02(c) and further provided that the donee is either the spouse, former spouse, or lineal descendent (including adopted children) or a trust created for any of their benefit of the beneficial owner of the Gifting Member's Membership Interest or Economic Interest.

10.03 Transferee Not Member in Absence of Two-Thirds Consent.

(a) Notwithstanding anything contained herein to the contrary (including, without limitation, Section 10.07. hereof). if the holders of two-thirds (66-2/3%) of the remaining Participating Percentages do not approve by written consent of the proposed sale or gift of the Transferring Member's Membership Interest or Economic interest to a transferee or donee which is not a Member immediately prior to the sale or gift, then the proposed transferee or donee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. The transferee or donee shall be merely an Economic Interest Owner. No transfer of a Member's interest in the Company (including any transfer of the Economic Interest or any other transfer which has not been approved by unanimous written consent of the Members) shall be effective unless and until written notice (including the name and address of the

proposed, transferee or donee and the date of such transfer) has been provided to the Company and the nontransferring Member(s)

(b) Upon and contemporaneously with any sale or gift of a Transferring Member's Economic Interest in the Company which does not at the same time transfer the balance of the rights associated with the Economic Interest transferred by the Transferring Member (including, without limitation, the rights of the Transferring Member to participate in the management of the business and affairs of the Company), all remaining rights and interests which were owned by the Transferring Member immediately prior to such sale or gift or which were associated with the transferred Economic Interest shall immediately lapse until either (1) the remaining Members, by unanimous consent, reinstate such rights to the Economic Interest Owner who did not previously obtain the unanimous written consent of the Members or (2) upon the remaining Members, by unanimous written consent, reinstating such rights to a successor or transferee of such Economic Interest Owner.

(c) The restrictions on transfer contained in this Section 10.03 are intended to comply (and shall be interpreted consistently) with the restrictions on transfer set forth in Article 30 of the Act.

ARTICLE XI

ADDITIONAL MEMBERS

From the date of the formation of the Company, any Person or Entity acceptable to the Members by their unanimous vote thereof may become a Member in this Company either by the issuance by the Company of Membership Interests for such consideration as the Members by their unanimous votes shall determine, or as a transferee of a Member's Membership Interest or any portion thereof, subject to the terms and conditions of this Operating Agreement. No new Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. The Managers may, at their option, at the time a Member is admitted, close the Company books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of Code Section 706(d) and the Treasury Regulations promulgated thereunder.

ARTICLE XII

DISSOLUTION AND TERMINATION

12.01 Dissolution.

(a) The Company shall be dissolved upon the occurrence of any of the following events:

(i) When the period Eixed for the duration of the company shall expire pursuant to Section 2.05 hereof;

(ii) by the unanimous written agreement of all Members; or

(iii) upon the death, **retirement.** resignation. expulsion, bankruptcy or dissolution of a **Member or** occurrence of any other **event** which terminates the continued membership of a Member in the Company (a "Withdrawal **Event**"), unless the business of the Company is continued by the consent of all the remaining Members within ninety days after the Withdrawal Event and there are at least two remaining **Members.** Each of the Members agrees promptly to consent. **in** writing, to continue the business of **the** Company upon a sale or gift either of a Member's entire Economic Interest to which all of the remaining **Members** do not consent within forty-five days after the **occurrence** of such a sale or gift or upon a sale or gift of a Transferring Member's entire Membership **Interest.** Such consents shall be mailed or hand delivered to the principal place of business of the Company set forth in Section 2.03 hereof (**or** to such other address designated by the Managers] no later than **fifty** days after each Withdrawal Event or transfer by **Member** of its entire Economic Interest or Membership Interest). The sole remedy for breach of a Member's obligation to consent to continue the business of the Company under this Section shall be **money** damages (**and not** specific performance).

(b) Notwithstanding anything to the contrary in this Operating Agreement, if a majority of Participating Percentages is cast to dissolve the **Company at a meeting of** the **Company** pursuant to Article VII, then all of the **Members** shall agree in writing to dissolve the Company on the date agreed upon or in the event of no agreement, as soon as possible, but in **any** event **not** more than thirty days thereafter.

(c) IE a **Member** who is an individual dies or a court of competent jurisdiction adjudges him to be incompetent to **manage** his person or his property, the **Member's** executor, **administrator,** guardian, conservator, **or other legal** representative may **exercise** all of the **Member's** rights for the purpose of settling his estate or administering **his** property.

(d) **Except** as expressly permitted in this Operating Agreement, a **Member** shall not voluntarily resign or take any other voluntary action which directly causes a Withdrawal Event. Unless otherwise approved by the holders of a majority of Participating Percentages, a **Member who resigns (a** "Resigning Member") or whose Membership Interest is otherwise terminated by virtue of a Withdrawal Event, regardless of whether such Withdrawal **Event was** the result of a **voluntary**

act by such Member, shall not be entitled to receive any distributions to which such Member would have been entitled had such Member remained a Member. Except as otherwise expressly provided herein, a Resigning Member shall immediately become an Economic Interest Owner. Damages for breach of this Section 12.01(d) shall be monetary damages only (and not specific performance). and such damages may be offset against distributions by the Company to which the Resigning Member would otherwise be entitled.

12.02 Winding Up, Liquidation and Distribution of Assets.

(a) Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Managers shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Managers shall:

(1) sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Managers may determine to distribute any assets to the Members in kind),

(2) Allocate any profit or loss resulting from such sales to the Members' and Economic Interest Owners' capital Accounts in accordance with Article IX hereof,

(3) Discharge all liabilities of the Company, including liabilities to Members and Economic Interest Owners who are creditors. to the extent otherwise permitted by law, other than liabilities to Members and Economic Interest Owners for distributions, and establish such Reserves as may be reasonably necessary to provide for contingent claims or liabilities of the Company, provided that for purposes of determining the Capital Accounts of the Members and Economic Interest Owners, the amounts of such Reserves shall be deemed to be an expense of the Company,

(4) Distribute the remaining assets in the following order:

(i) If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the holders of a majority of Participating Percentages. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members

and Economic Interest Owners shall be adjusted pursuant to the provisions of Article IX and Section 8.03 of this Operating Agreement to reflect such deemed sale.

(ii) The positive balance (if any) of each member's and Economic Interest Owners's Capital Account (as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs) shall be distributed to the Members, either in cash or in kind, as determined by the Managers, with any assets distributed in kind being valued for this purpose at their fair market value as determined pursuant to Section 12.02 (b) (ii) (i). Any such distributions to the Members in respect of their Capital Accounts shall be made in accordance with the time requirements set forth in Section 1.704-1 (b) (2) (ii) (b) (2) of the Treasury Regulations.

(c) Notwithstanding anything to the contrary in this Operating Agreement, upon a liquidation within the meaning of section 1.704-1 (b) (2) (ii) (g) of the Treasury Regulations, if any Member has a Deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

(e) The Managers shall comply with all requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

12.03 Articles of Dissolution. When all debts, liabilities and obligations of the Company have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets of the Company have been distributed, articles of dissolution as required by the Act, shall be executed in duplicate and filed with the Illinois Secretary of State.

12.04 Effect of Filing of Articles of Dissolution. Upon the filing of articles of dissolution with the Illinois Secretary of State, the existence of the Company shall cease, except for the purpose of suits, other proceedings and appropriate action as provided in the Act. The Managers shall have authority to

distribute any Company property discovered **after** dissolution. convey teal estate and **take** such other action as may be necessary on behalf of and in the name **of** the Company.

12 . 05 Return of Contribution Nonrecourse to Other Members
Except as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each Member **shall** look solely to **the assets** of the Company for the return **of** its **Capital** Contribution. **If** the Company property remaining **after** the payment or discharge **of** the debts and liabilities of the Company is insufficient to return the cash contribution **of** one or more Members, such Member or Members shall have no recourse against any other **Member**. except as otherwise provided by law.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.01. Notices. Any notice, demand, or communication **required** or permitted to be given by any provision of this Operating Agreement shall be deemed to have been sufficiently given or **served** for all purposes if delivered personally to the party, or to an officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Members and/or Company's address. as appropriate, which is set forth in this Operating Agreement. Except as otherwise provided herein, any such notice shall be deemed to be given two business **days** after the date on which the same was deposited in the United States mail, addressed and sent as aforesaid.

13.02 Books of Account and Records. **Proper** and complete records and books of **account** shall be kept or **shall** be caused to be kept by the Managers in which shall be entered fully and accurately all transactions relating to the Company's business in **such detail** and completeness as is customary and usual for businesses of the type engaged in by the Company. Such books and records shall be maintained as provided in Section 9.09. The books and records shall at all times be maintained at the principal place **of** business of the Company.

13.03 Application of Illinois Law This Operating Agreement and its interpretation shall be governed exclusively **by** its terms and by the laws **of** the State of Illinois, and **specifically** the Act.

13.04 Amendments. This Operating Agreement may not be amended except by the holders of a **majority** of Participating Percentages.

13.05 Execution of Additional Instruments Each Member hereby agrees to execute such other and further statements of interest and holdings, designations and other instruments necessary to comply with any laws, rules or regulations.

13.06 Construction Whenever the **singular** number is used in this Operating Agreement and when required by the context, the **same**,

shall include the plural and vice versa, and the masculine gender shall include the Feminine and neuter genders and vice versa.

13.07 Headings. The headings in this Operating Agreement are inserted for convenience only and are in **no** way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

13.08 Waivers. The failure of any party to seek redress **for** default **of** or to **insist** upon the strict performance **of** any covenant **or** condition **of** this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a **default**, from having the effect of an original default.

13.09 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use **of** any one **right** or **remedy** by any party shall not preclude or waive the right to use any other remedy. Said rights and remedies are given in addition to any other **legal** rights the parties may have.

13.10 Severability. If any provision **of** this Operating Agreement or the application thereof to any person or circumstance **shall** be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application there **of** **shall** not be affected and shall be enforceable to the **fullest** extent permitted by law.

13.11 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained **shall** be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating **Agreement**, their respective heirs, legal representatives, successors and assigns.

13.12 Creditors. None of the provisions of this Operating Agreement shall be **for** the benefit **of** or **enforceable** by any creditors of the Company.

13.13 Counterparts. This Operating Agreement may be executed in counterparts, each **of** which shall be deemed an original but all **of** which shall constitute one and the same instrument.

CERTIFICATE

The undersigned hereby agree, acknowledge and **certify** that the foregoing Operatina Asreement constitutes the Operating Agreement of EQUINOX INTERNATIONAL, L.L.C. , adopted by the Members of the Company as of _____, 1997.

MEMBERS :

By: _____
Its: - - -

EXHIBIT A
PARTICIPATING PERCENTAGES

Richard M. Pierce	25%
Marcus McEwen	25X
Travel Marketing, Ltd.	50%

EXHIBIT B

Member	Initial Capital Contribution
Richard M. Pierce-	\$ 250.00
Marcus McEwen	\$ 250.00
Travel Marketing. Ltd.	\$ 500.00